

## Social Security & Wisconsin Overview

### Origin & Purpose:

Congress passed the **Social Security Act** into law in August 1935 creating a **social insurance** program designed to pay retired workers age 65 or older a continuing income after retirement.

**Compulsory contributions** from employers and workers paid from earnings via the earmarked **FICA** tax fund these benefits.

Over the years Congress has added other benefits for workers and their families including **auxiliary, survivor, disability, and medical benefits**.

The purpose of all these programs is to provide **basic economic support** for people faced with the uncertainties brought on by **death, disability, and old age**.

### Title II:

The term "**title**" refers to the section of the Social Security Act under which Congress established the basic programs. The original retirement benefits and the subsequent auxiliary, survivor, and disability benefits are under **Title II**. Title II is regular Social Security benefits.

To receive Title II benefits, a person must have had **FICA earnings** and earned **credits** (sometimes called quarters of coverage) over a number of years, or be a qualified dependent of such a worker.

Title II benefit amounts are based on a person's **lifetime FICA earnings**. SSA computes each worker's benefit individually.

Title II disability benefits are referred to as **Social Security Disability Insurance (SSDI)** and include several types of benefits:

- **Disability Insurance Benefits (DIB)** are based on a person's own work history.
- **Disabled Widow Benefits (DWB), Childhood Disability Benefits (CDB, also know as Disabled Adult Child's or DAC benefits), and disabled surviving divorced spouse benefits** are based on the work history of a spouse or parent who is deceased, retired, or disabled.  
***All of these are for auxiliaries or survivors of a worker.***

To be **disabled** for SSDI means a person has a physical or mental **condition** that prevents him/her from engaging in substantial **work** for at least 12 months or that ends in death.

Other types of Title II disability benefits, **Widow's Insurance Benefits (WIB)**, **Disabled Widow Benefits (DWB)**, and **Childhood Disability Benefits (CDB)**, also known as **Disabled Adult Child's** or **DAC** benefits), are based on the work history of a spouse or parent who is deceased, retired, or disabled.

The dependent family members of an SSDI beneficiary can receive **auxiliary benefits**. The surviving dependent family members of a deceased SSDI beneficiary may be eligible for **survivor benefits**.

## **Work Incentives**

SSA has developed **provisions** or **supports** which are intended to help those receiving SSDI or SSI **return to work** by minimizing the risk of losing payments or medical benefits. In most cases a person can work and still receive benefits.

These employment support rules are called **work incentives** and allow a person to return to work and experience a **continuation** of medical coverage and for SSI recipients a **gradual reduction** in cash benefits.

Some work incentives apply to **only** Title II, some to **only** Title XVI, and others to **both** Titles.

The incentives include the chance to **try working** for 9 months without any benefit reduction (Title II.)

## **Medicare:**

**Medicare** is a federal program that provides **basic** health insurance for **people 65 and over** and for people who have been receiving Social Security Disability Insurance (**SSDI**) benefits for **24 months**.

**Part A** of Medicare is **hospital insurance (HI)** that helps pay for inpatient care at hospitals and certain other health care facilities. Part A is normally **free**.

**Part B** of Medicare is **supplemental medical insurance (SMI)** that helps pay for doctors' bills. Part B charges a premium that changes from year to year (\$88.50 in 2006.)

**Part C** of Medicare has been called Medicare + Choice but is changing to Medicare Advantage. This program allows participants to choose Medicare coverage through **private companies** such as managed care plans (like HMO's.)

**Part D** started January, 2006 and is a **Prescription Drug** program for Medicare beneficiaries.

## **Title XVI:**

**Supplemental Security Income (SSI)** came under **Title XVI** of the Social Security Act in 1972 and provides a **minimum level of income** to aged (65 and over), blind, and disabled people. Unlike SSDI, SSI is not based on a person's earnings.

The **definition of disability** for SSI is the same as it the disability definition above for SSDI.

Unlike Title II, earnings from work are not needed to qualify for SSI, rather a person must have **limited income and resources**.

Unlike Title II, a person's **income** and **living arrangement** directly affect the amount of a person's monthly SSI payment. An SSI payment can differ from month to month.

SSI payments come from **general funds** of the U.S. Treasury.

To be **eligible** for federal SSI a person must have countable income of less than \$603 per month (2006) and countable resources of less than \$2000 (\$3000 for a couple); certain resources like a home and car are excluded.

The maximum **federal payments** are \$603 for an individual and \$904 for a couple if both are eligible.

The SSI work incentives include the **exclusion** of certain income and resources in determining SSI eligibility and payment amount, the **deduction** of work expenses related to a person's disability

### **State SSI:**

The **State of Wisconsin** provides an additional **SSI** payment to people who receive federal SSI. People who receive at least one dollar of federal SSI also automatically receive a state supplement of **\$83.78 (\$132.05** for a couple.)

Wisconsin also has **special increased payments** (\$95.99) for individuals in certain **exceptional situations**; for example, having unusual expenses such as substitute care or needing other long-term support services. The state also has a **caretaker supplement** of \$250 for people who receive federal SSI and have children. These are applied for at and certified by county social agencies.

When Wisconsin began to administer the SSI state supplement after 1996, the State granted people who were receiving state-only SSI special eligibility status (called **grandfathered**) so they could still get state payments after 1996.

Unlike Federal SSI payments, a **COLA is not applied** to state payments. The payment amounts above have remained the same.

**Electronic Data Systems (EDS)**, a private company, administers the Wisconsin supplement for the state Department of Health and Family Services

### **Medicaid:**

**Medicaid (MA)** is a state and federal program that provides **medical assistance** for people with low income and resources. Medicaid provides **comprehensive** coverage of a wide variety of medical services and materials.

People who receive SSI get Medicaid **automatically** in Wisconsin. But many other people with disabilities who do not receive SSI can also qualify in various ways, such as through the **Medicaid Purchase Plan (MAPP)** for the working disabled.

The State of Wisconsin **Department of Health and Family Services (DHFS)** administers the Medicaid program through the counties.

**Application:** A person must **file** a prescribed application with the Social Security Administration to receive payments under either program. Now most SSA applications are completed via computer and can be done online.

A person may contact SSA via **phone** (toll free 1-800-772-1213), **on-line** ([www.ssa.gov](http://www.ssa.gov)), or **in person** (1300 Field Offices nationwide.) In certain situations filing on-line is possible, but a person may need to make an appointment to apply. An SSA representative will help complete the necessary forms and applications and gather needed documents.

**Someone else** can contact SSA for a person wishing to apply.

A person needs to provide certain **documents** and **information** at application. This may include social security number, proof of age, citizenship record, proof of income and resources, proof of living arrangement, and medical sources.

For disability claims SSA sends **medical** information obtained from an applicant to the state's **Disability Determination Bureau (DDB)** which requests evidence from the medical sources. DDB then examines the evidence using a five-step evaluation process that includes the use of standard federal listings of impairments to determine if a person is disabled.

**Appeals:** Applicants have the right to appeal **any SSA decision**, including an initial disability determination.

A claimant may be **represented** by an attorney or any other qualified person at any or every step in the proceedings before SSA. The claimant must file a signed appointment of representation with SSA.

The first level of appeal is a **reconsideration**, next is a **hearing** (before an administrative law judge), then an **appeals council** review, and finally **federal court** (U.S. District Court.)

A person must ask for an appeal in writing within **60 days** of the date the decision being appealed was made. SSA presumes a claimant receives a notice within five days of its date unless there is evidence to the contrary. SSA sends a notice after the decision at each level of appeal.